

Benefits and Entitlements Service Team (BEST)

Newsletter

HQ AFPC/DPSOC, 550 C Street West Suite 57, Randolph AFB TX 78150-4759

BEST Line: 1-800-616-3775 (press 2, then 2 again)

Overseas: Toll-Free AT&T Direct Access Number then 800-616-3775

Hearing Impaired: TDD 1-800-382-0893 or (210) 565-2276

FAX: DSN 665-2936 or (210) 565-2936

[BEST Homepage](#)

[Employee Benefits Information System \(EBIS\)](#)

2009 Edition, Issue 1 – February 2009

The information in this newsletter applies to appropriated fund civilian employees of the Department of the Air Force.

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BEST Phone Number Changing

Just a reminder...our phone number is changing from 1-800-616-3775 to 1-800-525-0102 at 5:00 p.m. Central Time on 22 Feb 09.

The prompts you will hear for reaching BEST will not change -- you will press 2 for Air Force-serviced civilian employee, then 2 for BEST benefits and entitlements services. You will hear two tones and several seconds of silence while your call is being transferred. You will then follow the prompts to enter your Social Security Number and BEST personal identification number (PIN), verify your phone number, and make a selection from the benefits main menu.

If you call the old number (1-800-616-3775) during the 4-month transition period, you will be directed to the new number, 1-800-525-0102.

For employees in foreign areas, there will be no access changes. You will continue to dial the toll-free [AT&T Direct Access Number](#) for the country in which located and then the new toll-free customer service number, 800-525-0102.

Hearing impaired employees with access to TDD equipment will continue to contact benefits counselors by dialing toll-free 1-800-382-0893, or if located within the San Antonio, Texas area, commercial 210-565-2276.

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FSA Change for Reservists

The Heroes Earnings Assistance and Relief Tax Act (Section 114 of Public Law 110-245) allows qualified reservists to receive a refund of their unused Health Care Flexible Spending Account (HCFSAs) balances, effective 1 Jan 09.

To be eligible, you must be enrolled in a HCFSAs or Limited Expense HCFSAs, be a member of the Army National Guard, Air National Guard, Army Reserve, Navy Reserve, Marine Corps Reserve, Air Force Reserve, Coast Guard Reserve, or Reserve Corps of the Public Health Service, and you must have been called to active duty for 180 days or more, or for an indefinite period of time.

The refund, also known as a qualified reservist distribution (QRD), is taxable income in the year in which it is received. Receipt of the refund closes your Health Care Flexible Spending Account for that benefit period, and you would need to wait until the next Open Season to reenroll.

You will find a list of [Frequently Asked Questions](#) and details on applying for a QRD on the FSAFEDS website: www.fsafeds.com. If you have questions, please call FSAFEDS toll free at 1-877-372-3337, Monday through Friday, from 9 a.m. to 9 p.m., Eastern Time.

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THRIFT SAVINGS PLAN (TSP) CALENDAR OF EVENTS

Thrift Savings Plan (TSP) Information

IRS Form 1099-R documenting withdrawals and other taxable distributions were mailed by the TSP in Jan 09. They are also available on the TSP web site (www.tsp.gov) under Account Access.

Annual Participant Statements. The TSP will begin mailing annual TSP participant statements to all participants this month. The statement provides valuable information about your investments as of the end of 2008, as well as the personal information the TSP has on file for you, including a list of your TSP beneficiaries, if you have designated any.

Please review your statement carefully to be sure the information TSP has about you is correct. If the information is not current, follow the instructions at the top of your statement. It is particularly important that you keep your address up-to-date. Air Force civilian employees must update their mailing address on file with TSP via the Defense Finance Accounting Service (DFAS) myPay web site (<https://mypay.dfas.mil/mypay.aspx>) or by submitting an address change to their local payroll customer service representative. To update your beneficiary information, use Form TSP-3, available at www.tsp.gov/forms/tsp-3.pdf, and mail or fax to TSP (see instructions for Form TSP-3).

Request for Refund of Excess 2008 Contributions. The TSP must receive requests for refund of excess 2008 contributions by 31 Mar 09. This applies to you if you contributed more than \$15,500 in 2008 to the TSP and another eligible plan (more than \$20,500 if you also made catch-up contributions). If your excess contributions were put into a civilian **and** a uniformed services TSP account, or if you are a member of the uniformed services and your total tax-deferred and tax-exempt TSP contributions exceeded \$46,000, your refund will be automatic, and you do not need to make a request for refund. See the TSP Fact Sheet "Annual Limit on Elective Deferrals" at www.tsp.gov/forms/oc91-13.pdf for more information.

Use Current Forms. Old TSP forms may cause delays or contain outdated information, especially if you are applying for a loan or in-service withdrawal. Always check the TSP web site (www.tsp.gov) to ensure you have the most current form.

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Calendar of Events

BEST phone number changes to 1-800-525-0102 – 5:00 p.m. Central Time, 22 Feb 09

Last day to incur Grace Period expenses for 2008 Flexible Spending Accounts (FSA) – 15 Mar 09

Last day for [qualified reservists](#) to request refund of unused 2008 FSA account balance – 15 Mar 09

Deadline for TSP to receive requests for refund of excess 2008 contributions -- 31 Mar 09

Last day to submit claims for FSA 2008 Benefit Period – 30 Apr 09

2009 Federal Benefits Open Season – 9 Nov 09 to 14 Dec 09

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RETIREMENT

Federal Employees Group Life Insurance (FEGLI) and Survivor Annuity Elections at Retirement

BEST has been asked, "When preparing for retirement, is it better elect a survivor's benefit, to rely on Federal Employees' Group Life Insurance (FEGLI), or to leave a combination?" This is a personal question that only the retiree can answer, but here is some information to help you make your decisions.

FEGLI – how much can you keep?

If you have had your current FEGLI coverage for 5 continuous years immediately prior to retirement (or since your first opportunity to enroll), you may continue your coverage into retirement. This requirement applies to both Basic and Optional insurance. You cannot elect additional FEGLI coverage at retirement. You must continue Basic insurance into retirement in order to keep any Optional insurance. As long as you have not [assigned](#) your insurance, you may decrease your FEGLI coverage at any time.

If you don't know how much FEGLI coverage you currently have, look at Block 27 on your most recent SF-50 (Notification of Personnel Action). You can also find your FEGLI code in the Deductions block of your last Leave and Earnings Statement (LES) and look up an explanation of the code in the FEGLI Handbook (www.opm.gov/insure/life/reference/handbook/sf50tbl.asp).

Basic Life Insurance: The amount of your Basic insurance in retirement is your Basic Insurance Amount at the time you separate from employment for retirement (i.e., your annual rate of basic pay rounded to the next higher \$1,000 plus \$2,000). To find out what types of pay are included in your annual rate of basic pay for FEGLI purposes, see the article on our website at: http://gum.afpc.randolph.af.mil/cgi-bin/askafpc.cfg/php/enduser/std_adp.php?p_faqid=4947. This amount of coverage continues until you reach age 65 (or retire, if later), after which it may reduce, depending on your election.

When you retire, you will have 3 options for continuing **Basic** life insurance into retirement:

- 75% reduction – You continue to pay premiums until age 65. After age 65 (or at retirement, if later), the coverage is free, but its value gradually reduces to 25% of its current value over a period of 37.5 months.
- 50% reduction – You continue to pay premiums after age 65 and coverage will gradually reduce to 50% of its current value over a period of 50 months, beginning at age 65 (or at retirement, if later).
- No reduction – You continue to pay premiums after age 65. Coverage continues at its current level; it does not reduce after age 65.

Option A provides \$10,000 coverage. Premiums automatically stop after you turn age 65 (or retire, if later) and coverage automatically reduces from \$10,000 to \$2,500 over a period of 37.5 months.

Option B comes in one to five multiples of your annual basic pay. If you elect to continue **Option B** into retirement, you will elect the number of multiples you want to keep and you will choose between:

- Full Reduction: You continue to pay premiums until age 65. After age 65 (or at retirement, if later), the coverage is free, but its value gradually reduces to zero over a period of 50 months.
- No Reduction: You continue to pay premiums after age 65. Coverage continues at its current value; it does not reduce.

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RETIREMENT

Federal Employees Group Life Insurance (FEGLI) and Survivor Annuity Elections at Retirement

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Option C insures your spouse for one to five multiples of \$5,000 and eligible children for one to five multiples of \$2,500. If you elect to continue **Option C** into retirement, you will choose the number of multiples you want to keep and either Full Reduction or No reduction, the same as for Option B.

See the Office of Personnel Management (OPM) website www.opm.gov/insure/life/rates/an_rates.asp for more detailed information on the cost of FEGLI after retirement.

FEGLI – how much should you keep?

Electing the amount of life insurance to carry into retirement is a personal decision that only you can make. You should consider the funds your survivors will need for immediate expenses, such as uninsured medical costs, funeral expenses, lawyers' fees to settle an estate, debts, and taxes. Also take into account whether you have a spouse, children, and/or other relative who depends on you for support; the amount of your savings and/or accumulated debt, and if you have a sizable estate and/or a business.

The FEGLI Program Booklet located at www.opm.gov/insure/life/reference/federal/index.asp contains a chart you can use to help determine how much life insurance you need. Follow the link to the handbook; then, click on "How Do I Choose the Right Amount of Life Insurance?" For a complete analysis of your needs, you may want to consult a financial planner. You should also review your [FEGLI beneficiary form](#) periodically and at retirement, if you have one on file, or consider whether or not you want to designate a beneficiary.

Survivor Annuity Elections.

While your FEGLI benefit is a lump sum that will be paid to your beneficiary(ies) in the event of your death, a survivor annuity is a monthly payment that your spouse will receive for the rest of his/her life if you predecease your spouse after retirement. You can elect to leave your spouse a full, partial, or no survivor annuity. You should also consider the effect of any court order on your annuity.

Under the Civil Service Retirement System (CSRS or CSRS Offset), a full survivor annuity is 55% of your full annuity base. Under the Federal Employees Retirement System (FERS), a full survivor annuity is 50% of your full annuity base. If you elect a full survivor annuity, your annuity will be reduced by about 10%. Your spouse's written and notarized consent will be required if you want to elect anything other than a full survivor annuity. Keep in mind that if your spouse is covered under your Federal Employees Health Benefits (FEHB) enrollment as a family member, he/she will be eligible to continue FEHB coverage after your death **only** if you elect to provide a survivor annuity at the time of retirement.

To determine the dollar amount of your survivor annuity, you will need a retirement annuity estimate. Most employees can obtain an estimate via the Employee Benefits Information System (EBIS) web application or our phone system. For information on how to obtain an estimate, see this article on our website: http://gum.afpc.randolph.af.mil/cgi-bin/askafpc.cfg/php/enduser/std_adp.php?p_faqid=5099.

If you have questions about your life insurance or survivor annuity elections, please call BEST and speak with a [benefits counselor](#). In addition, if you are within one year of retirement, please contact BEST so that we can provide you with personalized retirement counseling. However, if you receive [Limited](#) benefits services from BEST, you will need to contact your local or servicing Civilian Personnel Office for information on and assistance with all matters related to retirement.

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